



# BUDGET COMMITTEE



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**Senator Gregg's Senate Floor Statement on  
a Debt Disclosure Amendment to the Credit Card Bill  
May 12, 2009  
(unofficial transcript)**

Mr. President, I have an amendment which I intend to offer at the proper time. I understand there is a bit of a parliamentary issue right now relative to amendments, but I intend to offer an amendment dealing with the issue of debt.

Obviously this is the credit card bill and debt is the topic of the day. But I'm talking about the debt of the United States. Now, you may say, how does this affect the credit card bill? Well, the interest on credit cards is driven, in large part, by what it costs to get money. And what it costs to get money is driven in large part by how much debt the United States has to finance every year. And we, unfortunately, in our situation now are financing a massive amount of debt. And regrettably, a lot of that debt is the result of the fact that the government has had to move in and basically be the source of liquidity in our economy.

And, thus, the deficit has been driven up dramatically and the President has estimated the deficit this year to be \$1.8 trillion. That is a massive number, almost incomprehensible to most people. It represents a deficit four times more than I've ever seen. It reflects the fact that for every dollar we're spending in the United States government today, 50 cents is borrowed. We're borrowing half the money we're spending. And that's a lot of debt. And that adds to what's known as the national debt. And right now the national debt is about 40% of the gross domestic product. That's a survivable event. But after this deficit this year, it's going to move up significantly.

And, unfortunately, under the budget that the President brought forward, it is projected that there'll be \$1 trillion -- that's \$1 trillion -- of new deficit every year for the next 10 years. The practical implications of that are that the national debt grows astronomically. In fact it doubles in five years, triples in 10 years, and at the end of 10 years we will have a national debt which is 80% of the gross domestic product.

To put that in context, if we as a nation wanted to get into the European Union, they have certain standards where they say, you have to be a responsible country in terms of how much you're spending and how much you're borrowing. And two of their standards are

that you can't run a deficit that's more than 3% of your gross domestic product. The second one is that you can't have a national debt that exceeds 60% of your gross domestic product. Well, this year, we were on a deficit that is 12.5% of our GDP and we will have a national debt that's 40% and going up. It will become 80% in a brief period of time.

So under the rules of engagement for joining the European Union, we would not be allowed in. Can you imagine that? The United States could not get into the European Union, but Latvia or Lithuania could? When the world sets the standard for responsible governing and we don't meet it, then something is fundamentally wrong.

What's wrong is we're passing on to our children a deficit and a debt which is unsustainable, which means that they will not have the type of prosperity that we have had. It means that they will have to pay so much in the way of maintaining the cost of the debt that they will be unable to afford things like buying a home or sending their kids to college or living a quality of lifestyle that our generation has had. It's not fair to do it in the dark of the night where the American people really don't know what's happening. Where they don't have the information they need to make some intelligent decisions and thoughtful decisions about how fast they want this debt to go up on their children.

So this amendment is an attempt to basically have full and fair disclosure of what's happening with our national debt, of how big it's getting and how much it's going to cost, and who's going to have to pay it, which is the American people. It has three basic elements.

The first one is that there is a point of order created in this bill against any spending, any revenues, or any appropriation legislation which doesn't have as part of its statement what effect that has on the national debt -- in other words, how much it's going to add to the national debt -- and what effect it has on every American. For example, the budget that was just passed here, the President's budget, which I didn't vote for but which was passed here anyway, the President's budget will increase the debt on every American household by \$133,000. And it will increase the interest which each American has to pay on that debt by \$6,000. People should know that, in my opinion. That should be fully disclosed.

If we're going to have full and fair disclosure -- and we should -- of what a person's credit card obligations are and what a bank requires in the area of interest payments and how they can change interest payments, we should have full and fair disclosure to the American people of how much their debt is and how much interest they have to pay on that debt because they're American citizens.

Because in many instances, \$6,000 of annual interest costs to pay off the federal debt will exceed a lot of people's payments on their credit cards. And \$130,000 of debt per household exceeds in many instances the mortgage on a lot of people's homes. So people should know that that type of debt and deficits is being loaded on them by this government, which is massively expanding the spending of the federal government. So the first item says there will be a point of order. Unless a bill comes to this floor and is open and transparent on the issue of how much debt it creates per household and how

much gross debt it creates on the American people, it will take 60 votes to pass that bill. It will be subject to a point of order.

The second requirement will be to formally disclose this information by using the I.R.S., by putting in place a system where in the I.R.S. instructions for your 1040 form, you will be informed of how much debt is owed and what the debt is per person in this country. So that you'll be kept posted as to what's happening to you relative to debts and deficits that you have to pay for.

Third, every homepage of every federal agency has to have what is known as the debt clock which shows how much the debt is going up on a daily basis. So if you are trying to find out about some program at H.U.D. or trying to find out about some program at the S.B.A. or trying to find out about some program at Transportation, when you go onto that site, you'll be informed immediately as to what the debt of the United States is and how much it is going up. This is fair and transparent, and it's appropriate.

Now remember what's driving all this debt and I think that's important for people to understand. This debt is being driven primarily by a massive expansion in spending. The President said -- and I admire him for his forthrightness -- that he believes you can create prosperity by dramatically growing the size of the federal government; by increasing the spending of the federal government.

And so his proposals under his budget will take the spending of the federal government from 20% of gross domestic product up to 23%, 24%, and 25% of gross domestic product. Those are huge numbers in the way of increase. We've never had that type of spending level in this country except during World War II. Historically the spending of the federal government has been about 20% of GDP, not 21%, not 22%, not 23%, not 24%. But that is the proposal of this Administration because they generally believe -- and they've stated it and put out a budget which has called for this massive expansion in spending.

I don't happen to agree that that's the way you create prosperity. I believe the way you create prosperity is having a government you can afford, having a government which you pass on to your children which is affordable for them and giving individuals the opportunity to take risks and go out and create jobs. It's very hard, for example, for a small business person to invest in their small business whether it be a restaurant or small software company or repair shop if their taxes are going to have to go up to pay this debt at such a rate that the money they would have used to invest for the purpose of creating jobs is skimmed off by the government for funding this massive expansion. That's not the best way to create prosperity.

It makes much more sense to have a manageable government. We're not talking about cutting the size of government. Nobody is suggesting that. It doesn't happen around here. We're talking about having it be at a reasonable size, something affordable, something our children can pay for, not something that creates a debt and deficit so high it is not affordable.

Another number that is important or interesting is that at the end of President Obama's budget cycle, the interest on the debt will be over \$800 billion a year. That's interest. Interest on the federal debt will almost be \$1 trillion a year. That will be more than we spend on national defense. It will be, by a factor of five or six times, more than we spend on education, more than we spend on roads. That's not right. We shouldn't be spending all this money on interest. We should be spending it on real programs that do real things that benefit real people. But you can't do that if you run the debt up so much.

So it seems reasonable that we should have full and fair disclosure to the American people not only about their credit cards and how they're being treated by their banks or the issuer of the credit cards, but we should also have full and fair disclosure to the American people about what the government is doing to them, about what this Congress is doing to them, about the amount of deficit and debt that's put on their back on a daily basis as we spend money around here as if there is no tomorrow.

That is all this amendment does. These are fairly reasonable things. We should inform people when we have a bill on the floor as to how much that bill is going to cost in the way of added debt not only to the national debt, but to each citizen who is going to have to pay for that bill. That we should send out with I.R.S. forms a summary of how much debt is owed and how it will affect you as an individual. And when you go on a federal website, you should be able to find out fairly easily, and it should be set right out there so it's transparent and clear what the national debt is and just how quickly it is going up. Because, believe me, credit cards are an important issue in people's lives and the way they're handled is important. But equally important, especially for our children, is going to be how much deficit and how much debt we run up as a government.

Mr. President, I appreciate the courtesy of the majority side allowing me to speak at this time.